

INFORMATION REPORT

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COUNTRY Venezuela

SECRET

DATE DISTR. 20 JUL 49

SUBJECT Dismissal Policy of Major Oil Companies in
Lake Maracaibo Area

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(LISTED BELOW)SUPPLEMENT TO 25X1A
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1. In view of recent syndicate propaganda accusing the Venezuelan oil companies of planning mass layoffs, the industrial relations offices of major companies involved were contacted in Maracaibo, Cabimas, and Lagunillas.*
 2. It was learned that the Caribbean Petroleum Corporation (Shell Group) proposed the dismissal of approximately one thousand men within the next four to six months, at the rate of about two hundred workers a month. This number would amount to five per cent of the 20,000 employees in Western Venezuela. Up to the present, the company has been pursuing a policy of transfers rather than layoffs, but the saturation point has been reached and direct dismissals will have to be resorted to. This information was stated to be extremely confidential and was known to only a few high officials in the company.
 3. The Cabimas office of Caribbean Petroleum Corporation had about two hundred written resignations to show in answer to any official inquiry or accusation of an arbitrary laying off of large groups of men. These letters, offered as evidence of voluntary retirements, in reality would not represent the group of men laid off and thus would be misused for the purpose of misleading the investigator.
 4. The Mene Grande Oil Company (Gulf) in Maracaibo freely admitted having released approximately eight hundred workers since February of this year. In accordance with the company's program, it expects to dismiss some four hundred more within the ~~next~~ three months. This information was partially confirmed with the Cabimas and Lagunillas offices of Mene Grande.
 5. The Creole Petroleum Corporation (Standard Oil of New Jersey), according to its Maracaibo and East Lake offices, has no dismissal program as such, but, in reality it has been experiencing a gradual reduction in personnel, too, through its policy of not rehiring to fill vacancies left by employees who have resigned. It has curtailed expansion and exploration, but current operations have remained more or less constant. Nevertheless, it has closed many units and has attempted to transfer personnel to the more recently developed area at Tia Juana.
 6. The Mene Grande and Caribbean Companies can minimize the gravity of their

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layoff figures by explaining that these include a large number of "temporary" workers that were hired for odd jobs on a daily basis; for syndicate purposes, however, the dismissal of two to three hundred men a month makes effective propaganda.

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Comment. A last minute authoritative report from oil company officials in the Bolivar Coastal District indicates that both the Mene Grande and Caribbean Oil Companies have received orders from their Maracaibo offices to reduce layoffs to a minimum for the time being.

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